

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 189 – HB 183

March 25, 2013

SUMMARY OF ORIGINAL BILL: Authorizes the Commissioner of the Department of Transportation to conduct studies as deemed appropriate by the Commissioner to evaluate the benefits of procuring contracts for the services of a construction manager/general contractor in the development and construction of transportation projects.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005387): Deletes all language after the enacting clause. Creates a pilot program, scheduled to terminate on July 1, 2019, that authorizes the Department of Transportation (TDOT) to engage in an alternative procurement procedure for certain transportation projects performed by TDOT, by testing the utilization of a construction manager/general contractor (CM/GC) method during the design process, as a cost-effective and efficient option for constructing transportation projects. Authorizes the CM/GC to subsequently construct the project, if TDOT and CM/GC reach agreement on a guaranteed maximum price for construction. Authorizes the Commissioner of TDOT to select up to a total of three projects during the pilot program for the use of the CM/GC method of project delivery. Establishes the process for selecting a CM/GC for a project. Requires the Commissioner to appoint a selection committee, consisting of eight members, to evaluate and score all responsive proposals for CM/GC services. Requires TDOT to submit, by February 1, 2019, to the Senate Transportation and Safety Committee and the House Transportation Committee a detailed report that will include, but not be limited to, the estimated actual cost of each project upon completion, the estimated and actual time of completion, and the number and value of any change orders for the project.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumptions for the bill as amended:

- According to TDOT, the current process of contracting with a consulting engineer for design services and going through a bid letting process for a contract with a construction contractor is substantially similar to the established process under this pilot project. As a result, conducting the pilot project will not result in a significant fiscal impact to the state.
- Any expenditures incurred for the selection committee will be not significant.
- Compiling and presenting a detailed report to the General Assembly will not result in a significant increase in expenditures and can be accommodated within existing resources without an increased appropriation or a reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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